Jour

Douglas L. Patch

dpatch@orr-reno.com
Direct Dial 603.223.9161
Direct Fax 603.223.9061

Orr&Reno
Professional Association

One Eagle Square, P.O. Box 3550 Concord, NH 03302-3550 Telephone 603.224.2381 Facsimile 603.224.2318 www.orr-reno.com

NH DEPT. OF ENVIRONMENTAL SERVICES

July 8, 2008

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Thomas S. Burack, Commissioner
Department of Environmental Services
Chairman, New Hampshire Site Evaluation Committee
P.O. Box 95
29 Hazen Drive
Concord, NH 03302-0095

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VIA HAND DELIVERY

Re: Addition to Granite Ridge Energy, LLC Facility in Londonderry

Dear Chairman Burack:

I am writing to you on behalf of Granite Ridge Energy, LLC ("GRE") to ask the Site Evaluation Committee ("the Committee") to determine whether an addition to a building at the site of the existing and previously certificated (SEC Docket No. 98-02) gas-fired electric generating station in Londonderry would constitute a "sizeable addition", thereby requiring a separate certificate from the Committee under RSA 162-H:5,I. For the reasons provided in more detail below, GRE submits that this addition should not require GRE to file an application and obtain the Committee's approval to construct this addition.

GRE is planning to construct a cold storage warehouse for spare parts as an addition to an existing structure. The foundation for this addition would be approximately 52 feet by 55 feet, for a total floor space of 2,750 square feet. Enclosed is a copy of a plot plan and a conceptual drawing of the proposed addition. As you can see from this information, this structure would be an addition to an existing building that is located on the land in Londonderry on which the generating facility and associated buildings and structures are located.

RSA 162-H:5,I requires a certificate for "sizeable additions" to existing facilities that are already certificated, though there is no further definition of "sizeable" in the law or rules. The only guidance we could find on this issue is in two sets of correspondence between the Committee and the owners of other previously certificated facilities who were seeking approval to make modifications to their facilities. In June of 2003, FPL Energy Seabrook sought a ruling

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from the Committee on whether the modifications to the plant to accomplish a 6.7% increase in the output of the plant would constitute a sizeable addition by making what it referred to as "minor in-plant modifications and certain equipment changes" to increase the output. In the January 26, 2004 letter indicating that its approval was not required, the Committee noted that all construction necessary to the proposed upgrade would occur within the footprint of the existing facility and that it would not have any impact on the orderly development of the region and there would be no adverse impacts on aesthetics, historic sites, air and water quality, the natural environment or public health and safety. Similarly, in 2004 when PSNH wanted to replace one of its coal-fired electric generating units at the Schiller Generating Station in Portsmouth with a wood-fired unit, the Committee determined that it was not a sizeable addition that triggered the Committee's jurisdiction.

The proposed GRE addition would not have any impact on the orderly development of the region in that it would be done on the land that is already being used for the generating facility; it will not require any new land for this purpose and it will not significantly change how the existing lot is used. Moreover, there would be no adverse impacts on aesthetics, historic sites, air and water quality, the natural environment or public health and safety. As the proposed addition will only be used as a cold storage for spare parts and will be constructed as an add on to an existing structure, it will not have any such adverse impacts. Given these facts, GRE believes that this is not a sizeable addition that the Legislature intended to have subject to a full review by the Committee. From our examination of the prior situations where the Committee has addressed similar requests, we believe it would be consistent with precedent established by the Committee to determine that this addition does not require a certificate from the Committee.

Although GRE believes the proposed structure is not a "sizeable addition" within the meaning of the statute, we are submitting this question out of an abundance of caution in light of the provisions in the law making it illegal to construct a facility without the Committee's approval, RSA 162-H:5,I, and defining what constitutes commencement of construction in RSA 162-H:2,III.

Please let me know if you or the Committee require any further information.

Sincerely

Douglas L. Patch







